

EXHIBIT D



Economy And Business

LATEST NEWS



ARGENTINA >

The mystery of Argentina's gold: Milei admits that it was transferred abroad, without specifying the quantities or destination

While the government acknowledges that gold reserves have been sent outside the country, there's no official information available regarding the purpose of the operation. The gold is now exposed to the risk of being seized, due to long-standing claims against Argentina made by foreign creditors



JAVIER LORCA

Buenos Aires - JUL 28, 2024 - 00:05 EDT



Argentina's reserves, held by its [Central Bank](#), include almost two million troy ounces of gold, valued at about \$4.5 billion. But lately, there's a question that's on everybody's lips: where is it? Was it taken out of the country? Did some of it remain within Argentina, while the rest was transferred abroad? Well, the official information only offers partial answers.

The [administration of far-right President Javier Milei](#) admitted to the recent transfer of gold abroad, but didn't specify quantities, the destination, or the purpose for this measure. Nor did the Central Bank provide any details. In a scenario of financial instability — and with the government facing the need to accumulate reserves — the decision generated suspicions and speculation. There are also fears that the gold could possibly be seized, due to long-standing legal cases that have been filed against Argentina by foreign creditors.

VIDEOS DESTACADOS

The news about the transfer of the gold was not officially announced by the government or the Central Bank. Rather, the information came from the bank workers' union, known as La Bancaria. Its leader — the left-wing legislator Sergio Palazzo — presented a request within the framework of the Law of Access to Public Information for the Central Bank of the Argentine Republic (BCRA), asking "if there [were any] operations to send gold bars abroad during the month of June." Specifically, he demanded to know if transfers of gold took place on June 7 and June 28 through Lumil — a private security firm that transports valuables — and British Airways. He also wanted to know the specific amounts, their destination, the administrative procedures taken, as well as the names of the officials involved.

The BCRA has 30 days to respond to the legislator and has not yet done so. But last Friday, Minister of Economy Luis Caputo acknowledged that the operation was indeed carried out. "It's a very positive move... if you have gold in the BCRA, it's as if you have [assets] inside that cannot be used for anything. If you have it outside the country, you can get returns," he argued, in an interview with La Nación+, an Argentine TV channel. "It's much better to have it guarded outside, where they pay you something," he added.

His words suggest that the purpose of the shipment — possibly to London or Basel, according to speculation — was to deposit the gold and earn interest. However, if that's indeed the case, numerous economists have warned that the logic of the transfer — with the cost of the required insurance — didn't justify the operation, given that the returns are very low.

Also without giving details, President Milei later hinted that the transfer of the gold is related to the possibility of using it as collateral to take out a bridge loan. The president said that Argentina already has sufficient U.S. dollars available to [pay the maturity of interest on foreign debt](#) — a payment of about \$1.6 billion — which is due in January 2025. He claims that the bridge loan would be to pay an additional sum of \$3 billion to foreign creditors.

If this is the purpose of transferring the gold abroad, the government's bet would consist of attempting to convey tranquility to the financial markets. This would, in theory, reduce the country's risk level, which prevents it from taking out new lines of credit. On the other hand, by turning to gold, it suggests that Argentina doesn't have sufficient liquid assets and is now forced to resort to its most precious treasure.

Criticism and risks

In a statement released by a bloc of legislators, the main opposition force in Argentina — the center-left alliance, Unión por la Patria (Union for the Nation) — criticized the lack of transparency and demand that Santiago Bausili, the president of the BCRA, “urgently” explain “why they took the gold” out of the country “and how much they took.” The opposition also inquired about “what risks the operation entails” and “if it's possible that the [gold] could be seized while in transit, or from the bank where it was sent.”

The government of Buenos Aires Province — the largest and most populous district in the country — also agreed with the federal opposition. “Removing gold from our country implies risks that gold doesn't have when it's in the Central Bank's vaults. For example, it can be used as an asset, in the case of sanctions being levied against the Republic,” said Carlos Bianco, a minister for the provincial government.

Among economists, some voices supported the measure as a common operation to [obtain income from gold reserves](#). “Under normal conditions, I think it's best to have gold abroad. It's more useful for the Central Bank and better for Argentines' dollar deposits,” opined Fausto Spotorno, director of the UADE Business School in Buenos Aires. “The way to use gold abroad to provide liquidity is to use it as collateral for short-term loans. Alternatively, it can be sold to obtain dollars,” he added. However, he admitted the risks to the country should asset freezes be imposed.

Other economists feel that the measure is quite inconvenient. “It goes against the international trend of the last two decades, which shows that many top-level countries seek to accumulate gold in anticipation of an eventual disruption of the global order,” warns Ricardo Aronskind, a researcher and professor at the National University of General Sarmiento (UNGS). Former Minister of Economy Martín Guzmán points out that, if Milei's objective is to use the gold to obtain a bridge loan, it would be “like pawning your grandmother's jewelry.”

“You give the gold in exchange for dollars. Then, it's time to return the dollars to recover the gold. If you don't have the dollars, the pawn shop (in this case, an international bank) keeps the gold,” he warns.

The possibility of sanctions and asset freezing

The risk that Argentina's national reserves will suffer an attack from foreign judiciaries is linked to the long-standing demands of international creditors. The country faces numerous unfavorable rulings abroad. Some go as far back as 2012 — when the oil company YPF was nationalized — or even 2001, when Argentina defaulted on its debt. Many citizens still remember the case of the frigate *Libertad*: 12 years ago, the Argentina ship was held in Ghana, due to a claim made by investment funds that was ultimately dismissed.

Various other nations have been embroiled in situations in which funds are also withheld. Such was the case with Venezuela in 2019, when the Bank of England questioned the legitimacy of the [government of Nicolás Maduro](#) and prevented his administration from gaining access to 30 tons of gold deposited by Caracas in the U.K.

In principle, a central bank's reserves cannot be seized. "The BCRA won against all the lawsuits calling for asset freezes," recalls Jorge Carrera, an economist and former vice-president of the Central Bank. However, he notes that the trials "are always long and expensive." Until they're resolved, state resources remain tied up. "The key is to demonstrate that the BCRA acts on its own initiative, following its needs and objectives as a central bank, its actions shouldn't be based on instruction from the executive branch. The assets under the control of a national government are always those targeted in lawsuits to be seized, which is why it's important to maintain the differentiation."

Following that logic, the statements made by Milei or his minister about the transfer of gold aren't strategic, especially when the Central Bank hasn't made anything public. On top of that, until December 2023, Minister Caputo and Santiago Bausili — head of the BCRA — were partners in a consulting firm.

Translated by Avik Jain Chatlani.

Sign up for [our weekly newsletter](#) to get more English-language news coverage from *EL PAÍS USA Edition*

Sign up to EL PAÍS US Edition bulletin

f **✕**

ARCHIVED IN

Argentina · Javier Milei

Adheres to

 The Trust Project